



[OMB No. 3064-0203]

**Agency Information Collection Activities: Proposed Collection Reinstatement;
Comment Request**

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the FDIC may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The FDIC wishes to conduct another Small Business Lending Survey and as part of its obligations under the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to take this opportunity to comment on the reinstatement of the related information collection described below (OMB Control No. 3064-0203).

DATES: Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *<https://www.FDIC.gov/regulations/laws/federal>.*
- *Email: comments@fdic.gov.* Include the name and number of the collection in the subject line of the message.
- *Mail:* Manny Cabeza (202-898-3767), Regulatory Counsel, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street NW building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION, CONTACT: Manny Cabeza, Regulatory Counsel, 202-898-3767, mcabeza@fdic.gov, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

Proposal to reinstate the following collections of information:

1. Title: Small Business Lending Survey

OMB Number: 3064-0203.

Affected Public: FDIC-insured depository institutions.

Obligation to Respond: Voluntary.

Burden Estimate:

Estimated No. of Respondents:	2,000
Estimated Time per Response:	4 hours
Frequency of Response:	One time.
Total Estimated Annual Burden:	8,000 hours

General Description of Collection:

Small businesses are important to the U.S. economy and banks are important to U.S. small businesses. According to the Small Business Administration, in 2015, small businesses comprised 99.9 percent of all U.S. firms, and almost half (47.5 percent) of private-sector employment. Additionally, from 2000 to 2017, small businesses accounted for 65.9 percent of net new job creation.¹ Given their size and the relative costs of

¹ “Frequently Asked Questions About Small Business”, SBA fact sheet, <https://www.sba.gov/sites/default/files/advocacy/Frequently-Asked-Questions-Small-Business-2018.pdf> (2018).

verifying their financial conditions, many small businesses have little or no direct access to capital markets and thus are reliant on bank financing. Indeed, in their 2017 survey of small businesses, the Federal Reserve System finds that banks are the most common source of external credit for small firms.² For banks, especially the many banks that primarily engage in commercial lending, small business lending is an important way that they help meet the needs of their communities.

The FDIC's Small Business *Lending* Survey is a nationally-representative survey of banks and their small business lending practices and activities. The survey seeks to understand how banks engage with small businesses and meet their needs, within the context of the fast changing banking industry environment. The first collection of the survey in 2016 (SBLS 2016) sought to examine whether small and large banks engaged differently with small businesses, which could potentially impact small businesses given continued and ongoing banking consolidation. In 2022 the FDIC plans to deploy another Small Business Lending Survey (SBLS 2022) which will repeat some questions from the previous collection and will include new areas of study which are of current interest, in particular, banks' use of financial technology in small business lending and their experiences with the Paycheck Protection Program.

In addition, SBLS 2022 will *improve* upon previous quantitative questions that asked banks about their volume of commercial lending by firm size, which allowed the FDIC to assess how well Consolidated Reports of Income and Condition (commonly referred to as "Call Report") data captures actual bank small business lending when used as a proxy measure. Using SBLS 2016 survey data, the FDIC determined that for banks in 2015 with \$1 to \$10 billion in assets, industry small business lending (defined as lending to firms with less than \$10 million in gross annual revenue) was understated on

² "Small Business Credit Survey: Report on Employer Firms", Federal Reserve report, <https://www.fedsmallbusiness.org/survey/2018/report-on-employer-firms> (2017).

net by approximately 23 percent when using the most common proxy measure – Call Report outstanding commercial and industrial loan balances for loans that were \$1 million or less at the time of origination.³

The proposed SBLS 2022 *collection* will cover the general topics of:

- I. Underwriting and Loan Approval Processes
- II. Markets, Competition, and Loan Demand
- III. SBA Lending and Securitization
- IV. Measurement of Bank Small Business Lending

Questions in the first three *sections* are comprised of qualitative questions, while the fourth set asks respondent banks to provide quantitative loan volumes. The SBLS does not duplicate existing sources of data but rather complements or provides insight into regular collections such as the Call Report.

The SBLS 2022 collection is scheduled to be in the field beginning in May 2022. The collection will be administered by the U.S. Census Bureau via a web interface. Recommendations for which bank staff to answer each section will be made to respondents in order to match the appropriate expertise to relevant questions. Because the SBLS is designed as a nationally-representative survey of banks of all sizes, including community banks, regional banks, and large nationwide banks, the survey is intended be used to make inferences for the entire industry regarding U.S. banks' small business lending activity and practices.

Prior to finalizing the *SBLS* 2022 survey questionnaire, the FDIC seeks to solicit public comment. Interested members of the public may review a copy of the proposed survey questionnaire on the following web page:

³ “Measurement of Small Business Lending Using Call Reports: Further Insights From the Small Business Lending Survey”, FDIC staff study, <https://www.fdic.gov/bank/analytical/cfr/staff-studies/2020-04.pdf> (2020).

<https://www.fdic.gov/regulations/laws/federal/2021/sbls-2022-proposed-survey-questionnaire.pdf>.

Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on April 15, 2021.

James P. Sheesley,

Assistant Executive Secretary.

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